

## Message Text

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PAGE 01 BUENOS 05139 122129Z

ACTION EB-07

INFO OCT-01 ARA-14 IO-14 ISO-00 XMB-04 FEA-01 AGRE-00

CEA-01 CIAE-00 COME-00 DODE-00 FRB-01 H-02 INR-07

INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-02 EPG-02

AID-05 SS-15 STR-04 ITC-01 TRSE-00 USIA-15 PRS-01

SP-02 OMB-01 /117 W

-----026413 130212Z /75

R 121927Z JUL 77

FM AMEMBASSY BUENOS AIRES

TO USDOC WASHDC

SECSTATE WASHDC 1316

INFO USMISSION GENEVA

UNCLAS BUENOS AIRES 5139

PASS TREASURY EXIMBANK

E.O. 11652: N/A

TAGS: EFIN, ETRD AR

SUBJECT: RECENT CHANGES IN GOA IMPORT REGIME

REF: BA-5051

1. IN LINE WITH CURRENT GOA PRICE POLICY TO PROMOTE COMPETITION LIMITING INFLATIONARY PRICE INCREASES IN THE AFTERMATH OF THE RECENTLY LIFTED "PRICE TRUCE" AND TO DISCOURAGE LOCAL "OLIGOPOLISTIC" PRICING PRACTICES (SEE BA-5051), THE MINISTRY OF ECONOMY ANNOUNCED A SERIES OF TARIFF REDUCTIONS ON A BROAD RANGE OF CONSUMER PRODUCTS, MOSTLY DURABLES.

2. IN RESOLUTION NO.520, DATED 24 JUNE, AD VALOREM RATES FOR A LONG LIST OF HOUSEHOLD DURABLES, I.E., WASHING MACHINES, WATER HEATERS, ELECTRIC SHAVERS, ETC., AND PARTS USED IN THEIR MANUFACTURE ARE UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BUENOS 05139 122129Z

FIXED AT 80 PERCENT, DOWN FROM A 90-100 PERCENT RANGE FIXED ON MOST ITEMS BY RESOLUTION 3008, DATED 24 NOV. 1976. RESOLUTION NO.521, ALSO DATED 24 JUNE 1977, PROVIDES FOR TARIFF REDUCTIONS. AFFECTED PRODUCTS ARE MOSTLY PREPARED FOOD ITEMS, CANNED FRUITS, AND VEGETABLES, FRUIT JUICES, ETC., WITH SOME INTERMEDIATE PRODUCT INCLUDED AS WELL,

I.E., STRARCHES, CARBON BLACK, CERAMIC TITLES.  
RESOLUTION NO.507 LIFTS A LONG STANDING EMBARGO ON  
THE IMPORTATION OF CIGARETTES AND ALSO PROVIDES  
FOR A TARIFF REDUCTION FROM 85 TO 5 PERCENT. THIS  
LAST MEASURE IS EXPLICITLY TIED TO THE REMOVAL OF  
PRICE CONTROLS ON LOCALLY MANUFACTURED CIGARETTES.  
RESOLUTION NO.522 SETS FORTH THE CONDITIONS UNDER  
WHICH AUTO PARTS MAY BE IMPORTED WHEN PRICES OF  
LOCAL MANUFACTURE EXCEED. ACCEPTABLE LEVELS. AUTO  
PARTS PRICED LOWER THAN LOCALLY MANUFACTURED ITEMS  
MAY BE IMPORTED AS LONG AS THE ASSEMBLY OF IMPORTED  
PARTS INCORPORATED IN LOCALLY MANUFACTURED VEHICLES  
DOES NOT EXCEED LEGALLY IMPOSED LIMITS, HOWEVER,  
IN THE CASE WHEN THE LOCAL PRICE EXCEEDS THE IMPORT  
PRICE BY 200 PERCENT, COMPARABLE IMPORTED PARTS  
WILL NOT BE COUNTED IN COMPUTING THIS LIMIT. NO  
TARIFF REDUCTIONS WERE ANNOUNCED FOR THIS  
PRODUCT CATEGORY.

3. POST POUCHING COPIES OF RESOLUTIONS NOS. 507,  
521, 522..

COMMENT:

IT IS NOT ANTICIPATED THAT THESE NEW REGULATIONS WILL  
WILL RESULT IN AN INFLUX OF IMPORTS. PROTECTION  
OF LOCAL INDUSTRY IN THESE PRODUCT LINES IS  
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PAGE 03 BUENOS 05139 122129Z

STILL ADQUATE. THE CHIEF SIGNIFICANCE OF THESE  
ACTIONS LIES IN THE WILLINGNESS OF THE GOA TO  
USE TARIFF REDUCTIONS AS AN INSTRUMENT OF PRICE  
POLICY. IT IS LIKELY THAT IN THE NEAR FUTURE  
THERE WILL BE ADDITIONAL TARIFF REDUCTIONS.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** IMPORTS, PRICE CONTROLS, DEVALUATIONS, ANTIINFLATIONARY PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
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**Disposition History:** n/a  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Message ID:** 91b2676d-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1894134  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** RECENT CHANGES IN GOA IMPORT REGIME  
**TAGS:** EFIN, ETRD, AR  
**To:** COM STATE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
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EO Systematic Review  
22 May 2009  
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